

**BUSINESS PLAN FOR  
REAL ESTATE IN DAR ES SALAAM  
FUZHOU WANGDI REAL ESTATE CO. LIMITED**

*(Reg. No 183988042)*

*P. O. Box 63069 Dares salaam, Tanzania*

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## **1.0 INTRODUCTION**

The business plan gives details for investment in Real Estate business such as; Residential Property Sales & Purchases, Commercial Leasing, Property Management, Real Estate Investment Consulting, Real Estate Development and Market Analysis and Valuation. The total estimated project cost is **but not limited to USD 1150000**. The business plan is to be presented to relevant government authorities so as to obtain necessary permits and incentives.

## **2.0 THE COMPANY**

Is a limited company registered under the laws of Tanzania and was issued with incorporation number. The company wishes to venture into the Real Estate business as stated there before and we aim to serve clients across the country, offering expert advice, personalized service, and reliable transactions.

## **3.0 BACKGROUND**

As the powerhouse of Tanzania's construction industry, the Real Estate subsector is pivotal, representing about 23.2% of the GDP in 2022. This diverse sector includes the building of Modern and affordable houses. The cost of building better and modern houses in various parts of the world has introduced low and substandard houses in the local market. It is for this reason that the promoter has decided to venture into real estate business so as to produce and ensure that modern and affordable houses are available at best prices and boost the country economy in the with the government policy in promoting urbanization in Tanzania and curb unemployment problem.

## **4.0 BUSINESS DESCRIPTION**

### **4.1 Vision Statement for Business**

- The vision of the business is to position itself as the highest best Real Estate company by providing solutions to what has been identified as the challenges within the Real Estate
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field and establish itself as the most reputable provider of this service in the region and the country at large.

#### **4.2 Mission Statement for Business**

- The mission is to continue with the provision of modern and affordable housing and providing better services pertaining real estate field to customers, clients and Tanzanian population at large.
- To promote growth and expansion of Private sector.

#### **4.3 Value and Objectives of the business**

- To avail quality products to the customers.
- To take part in the governments call for private sector participation in implementation of Development policy especially in urbanization of cities.
- To participate in the economic growth of the country.
- To offer employment opportunities to the citizens.
- To foster growth and development of Housing sector in Tanzania.

#### **5.0 FUTURE PLAN**

- To introduce and use technologically advanced and modern technology in housing industry in Tanzania.
  - High professional services pertaining real estate business in Tanzania.
  - To increase the volume of constructed and flapped houses in the Country especially in the large cities.
  - Provision of as affordable houses as possible to all people especially in big cities where building costs are so much high.
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## 6.0 SHAREHOLDERS (PROMOTERS)

The following are the Promoters and respective shares held by each;

No.	Name of Shareholder	Number of Shares	Nationality	Percentage
1	CHEN FUGUAN	10,000	Tanzanian	50%
2	CHEN YAGUAN	10,000	Tanzanian	50%

Therefore, the authorized capital of the company is Tshs. 3,000,000,000/= divided into 30,000 ordinary shares of Tshs. 100,000/= each. With the power for the Company to reduce or increase the same and to alter the value of the shares or to convert the same into stock and to issue shares at par or at premium with preferential, deferred, qualified or with special rights as the company may determine.

## 5. LOCATION OF THE OFFICE

The company's business premises are located at Plot No.29, Block A, Karume/Haile Selassie Street, Kinondoni District, P. O. Box 63069 Dar Es Salaam. Tel No: +255 765 808888.

## 6.0 MARKETING ANALYSIS AND MARKETING PLAN

### 6.1 Industry Overview

Consumer demand for modern and affordable housing plus the best services in real estate industry has been rising as a result of development of town and cities and National campaign encouraging construction of modern and affordable houses among other reasons is to bring better town and cities planning and promote our own economy. Over 60 million people residing in Tanzania the demand for modern and affordable houses thus the demand is certainly higher. This is caused by the Population which is rapidly growing especially in large towns and cities and hence the demand for such modern and affordable houses grows at the same rate. Nevertheless, the integration of

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people from different places and countries expands the market for the said modern and affordable houses.

## **6.1 Players in the Industry**

Currently the construction and availability of modern and affordable houses especially in strategic areas, is still low in many places, as such the promoter is supposedly going to be among few players who have decided to invest in such large scale production to help reduce the gap between demand and supply of modern and affordable houses in Tanzania by analyzing the targeted market as:

- **Primary Clients:** First-time homebuyers, real estate investors, landlords, commercial tenants.
- **Location Focus:** Strategic areas where the demand is high because of its potential.
- **Demographics:** Persons of different age, income, professional and any other criteria could afford.

## **6.2 Barrier to entering the industry.**

The main challenges posing barrier to this sector is presence of huge companies with even more resources and experience in the market. Despite government effort to foster Urbanization by putting conducive environment for establishment of sustainable local business, over population especially in big cities lack of funds has been the main hindering factor for this business since that even the land pricing has been set high specifically places with potentiality. Nevertheless, the availability for building materials in Tanzania is yet to accommodate the persons in the business due to presence of the better materials and technology from abroad.

## **6.3 Pricing Strategies**

The pricing of Business product is important as it has direct effect in the success of the business. Pricing strategy can be complex however the basic rules of pricing are straight forward as given below,

- All prices must cover costs
  - Prices must reflect the dynamics of cost, demand changes in the market and response to competitors.
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- The promoter prices will be established to assure continued growth of the business. Therefore, business will not neglect existing market prices approach in estimating prices for its products.

#### **6.4 Advertising and Promotion**

The Company will expense some funds for advertisement purposes of the products.

It will use different approaches such as; Digital

##### **Marketing:**

- Website with IDX listing integration
- Social Media (Instagram, Facebook, LinkedIn)
- Google Ads and SEO
- Email newsletters

##### **Traditional Marketing:**

- Local newspaper ads
- Flyers in targeted neighborhoods
- Open houses and networking events

##### **Referral Programs:**

- Incentives for client referrals
- Collaborations with mortgage brokers, lawyers, and home inspectors

#### **6.5 Competition Analysis**

This is expected to come from alternative similar service providers or dealers. This is not considered to be a major threat due to long time standing demand for quality products that the company is about to offer. Nevertheless, the company is expected to meet with the cotton farmers for buying high standard cotton and hence reduce competition in search for raw materials.

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## 7.0 IMPLEMENTATION PLAN

The injection of the Initial Capital is still on going. Out of total Investment of about Tsh. 3,000,000,000/=, Tsh. 2,000,000,000/= has been invested directly from the owners of the Company. The remaining part of Investment, Tshs. 1,000,000,000/= which is 33.3% is being sourced from Loans.

Total Investment 100%	Investment to date Owner's equity (66.67%)	Required Bank Loan (33.3%)
Tshs. 3,000,000,000/=	2,000,000,000/=	1,000,000,000/=

### 7.1 Business Commencement

Our business will commence immediately after putting in place all remaining parts of the required documents and licenses have been issued.

### 7.2 Environmental and Social Issues

The entity will communicate in regular basis with NEMC about matters concerning environment. Keen care will be taken by competent contractors engaged and it is the applicants hope that all environmental consideration will be given its deserved weight during construction and during operations. Trees will be planted surrounding the areas of project (SITE) and continued environmental practices will be a subject of importance throughout the life of different projects.

All other necessary precautions will be taken into consideration to make sure that the business operations do not end up harming the surrounding environment and the management aliases with the Government to ensure good environmental practices. These will involve proper use of resources and disposition of liquid and solid wastes during executing our projects.

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### **7.3 Social Aspects (Corporate Social Responsibility)**

The business has but a way of integrating the economic, social and environment imperatives in its activities. The business will incorporate moral and social obligations to its activities with respect to the surrounding communities.

This will involve creating innovative and proactive solutions to the social and environmental challenges as well as collaborating with both governments as internal and external stakeholders to improve its CSR performance. This has over time helped the business to create strong partnership and loyalty between the entity, business community and business service providers and surrounding community.

## **8.0 FINANCIAL PLAN**

### **8.1 Projected Profit and Loss Account**

The company envisages generating a profit of approximately USD 80,000 in the first operating year. The profit amount is expected to steadily rise to USD 200,000 in year two and USD 400,000 in year three.

### **8.2 Projected cash flows**

The projected cash flow for the next five years indicates that the company will have enough funds to service/repay the loan and interest payments. Hence the financial obligations will be met in a timely fashion.

## **9. CONCLUSION AND RECOMMENDATION**

The financial evaluation of the proposed project done so far indicates that this business project will be profitable both economically and financially viable venture.

The management being experienced businessmen possesses ample managerial capabilities in various business disciplines.

Based on the above factors, it is recommended that the company should be granted all the certificates for the proposed implementation so as to commence implementation of the proposed project at the earliest.

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